

AS TALLINK GRUPP

Unaudited Interim Consolidated Financial Statements for the first quarter of the 2010/2011 financial year

1 September 2010 - 30 November 2010

Beginning of the financial year	1. September 2010
End of the financial year	31. August 2011
Commercial Registry No.	10238429
Address	Sadama 5/7 10111, Tallinn Estonia
Telephone	+372 6 409 800
Fax	+372 6 409 810
Internet homepage	www.tallink.com
Primary activity	maritime transportation (passenger and cargo transportation)
Auditor	KPMG Baltics AS



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MANAGEMENT REPORT

Passenger volume transported by the Group's (AS Tallink Grupp and its subsidiaries') vessels in the first quarter (01.09.2010-30.11.2010) increased by 10% to 1.99 million passengers compared to the first quarter of the previous financial year. The number of transported cargo units increased more than 12% in the same period.

The Group's unaudited consolidated revenue in the first quarter of the 2010/2011 financial year was EEK 3 177 million (EUR 203 million) which is nearly EEK 340 million (EUR 22 million) or 12% higher compared to the first quarter of the previous financial year.

The noticeable increase in the Group revenues was influenced by the stronger passenger and cargo volumes. The Group was able to increase the passenger related revenues (ticket, shops & restaurants sales) by EEK 268 million (EUR 17 million) compared to the last year. The respective revenue increase per passenger was 1.6%. It shall be noted that the volume and revenue growth was higher in the Estonia-Finland, Estonia-Sweden and Latvia-Sweden routes where the margins on the onboard spending are not as high as in the Finland-Sweden routes where the volume growth in the first quarter was 2% and revenue growth 5%.

Compared to the first quarter of the previous financial year the Group's gross profit in the first quarter of the 2010/2011 financial year increased by EEK 45 million (EUR 2.9 million) to a total of EEK 556 million (EUR 35.5 million). The Group's EBITDA amounted to EEK 430 million (EUR 27.5 million) an increase of EEK 22 million (EUR 0.5 million) and the net profit was EEK 18 million (EUR 1.1 million) an increase of EEK 37 million (EUR 2.3 million) year on year.

One of the main focus areas in the Group's operations during the first quarter was to increase the sales and marketing activities in home markets. Hence a more aggressive advertising approach was taken whereby the advertisement spending was also increased. The positive result of these planned actions can be noticed in the strongly increased passenger volumes in the first quarter. The growth is visible and continues also in the beginning of the second quarter.

In the first quarter the Group's investments amounted to EEK 56 million (EUR 3.6 million) mainly related to the upgrading works of three cruise ferries Romantika, Silja Festival and Silja Serenade that were in the scheduled dry dock during the period. At the same time many of the recurring maintenance works were also done which had increased cost impact on those vessels in the first quarter. During the docking of the cruise ferry Silja Serenade her operations in the Finland-Sweden route were replaced with the cruise ferry Silja Europa which in turn was replaced by the cruise ferry Baltic Queen from Estonia-Sweden route. By the switch of the vessels the Group was able to maintain the passenger volume and to provide the passengers with a great new experience of the different vessels on the Finland-Sweden routes. From the economical point the rerouting of the vessels was beneficial, but given the additional maintenance costs the profit conversion was at the lower margin than compared to the normal operation on that route.

The Swedish krona has strengthened noticeably against the euro. This is good for the revenues which the Group is receiving from the Swedish market area but the stronger exchange rate increases also the Swedish crew and office costs in euro terms. The fuel costs in the first quarter of the 2010/2011 were EEK 484 million (EUR 31 million) which is EEK 78 million (EUR 5 million) higher compared to the first quarter of the previous financial year.

The Group's first quarter result meets the management expectations. Several planned activities and structural changes between the routes had some influence to the earnings. The Group's net debt decreased to below the EUR 1 billion level. In the management opinion the Group's development in the 2010/2011 financial year has started off well and the Group is on the track to improve the results in the current financial year.

Q1 KEY FIGURES	Q1 2010/2011		Q1 2009/2010		Change %
	EEK	EUR	EEK	EUR	
Net sales (million)	3 177	203.0	2 837	181.3	12%
Gross profit (million)	556	35.5	511	32.7	9%
Gross margin	17.5%		18.0%		
EBITDA (million)	430	27.5	422	27.0	2%
EBITDA margin	13.5%		14.9%		
Net profit/-loss (million)	18	1.1	-19	-1.2	
Net profit margin	0.6%		-0.7%		

Depreciation & amort. (million)	285	18.2	281	18.0	1%
Investments (million)	56	3.6	5	0.4	1020%

Weighted average number of ordinary shares outstanding during Q1*	669 882 040		669 882 040		0%
Earnings per share	0.03	0.00	-0.03	-0.00	

Number of passengers	1 993 293		1 808 235		10%
Cargo units	76 908		68 334		13%
Average number of employees	6 595		6 621		0%

	30.11.2010		31.08.2010		
	EEK	EUR	EEK	EUR	
Total assets (million)	28 718	1 835	29 280	1 871	-1.9%
Total liabilities (million)	18 262	1 167	18 832	1 204	-3.0%
Interest-bearing liabilities (million)	16 159	1 033	16 709	1 068	-3.3%
Total equity (million)	10 456	668	10 448	668	0.1%
Equity ratio	36%		36%		

Number of ordinary shares outstanding*	669 882 040		669 882 040		0%
Shareholders' equity per share	15.6	1.0	15.6	1.0	0%

Net profit margin – net profit / net sales;

EBITDA – Earnings before net financial items, taxes, depreciation and amortization;

EBITDA margin – EBITDA / net sales;

Gross margin – gross profit / net sales;

Net profit margin – net profit / net sales;

Equity ratio – total equity / total assets;

Earnings per share – net profit / weighted average number of shares outstanding;

Shareholder's equity per share – shareholder's equity / number of shares outstanding.

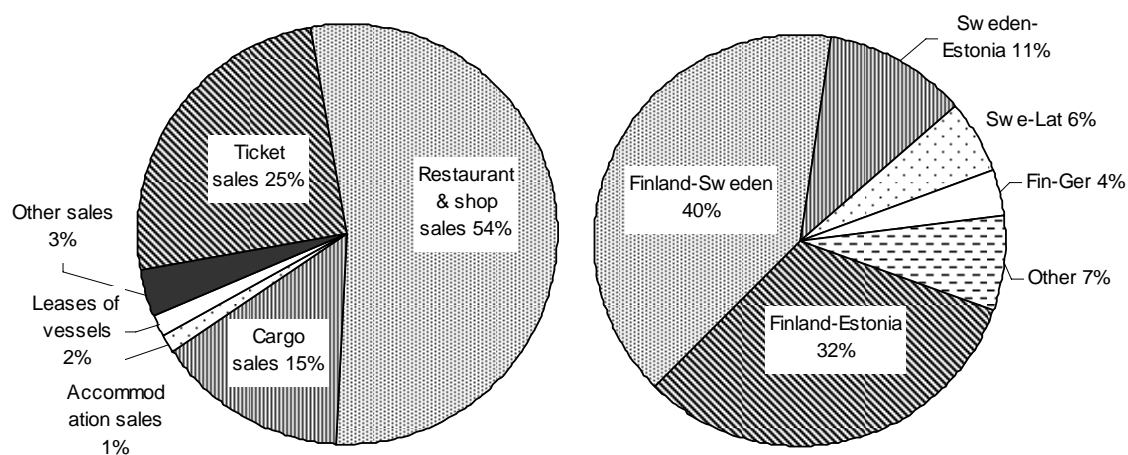
* Share numbers exclude own shares.

SALES & SEGMENT RESULTS

The following table provides an overview of the quarterly sales development by operational segments:

		Q1	Q2	Q3	Q4	Q1	Q1 change
		09/10	09/10	09/10	09/10	10/11	y-o-y
Ticket sales	mil.EUR	43.0	35.8	49.9	88.6	51.0	18.8%
	mil.EEK	672.1	560.0	780.2	1 386.2	798.5	
Restaurant & shop sales	mil.EUR	99.6	90.7	115.0	136.4	108.7	9.1%
	mil.EEK	1 558.1	1 418.8	1 798.9	2 133.8	1 700.1	
Cargo sales	mil.EUR	27.7	20.3	24.5	26.0	29.6	7.1%
	mil.EEK	432.9	317.8	384.0	406.5	463.7	
Accommodation sales	mil.EUR	2.2	1.7	2.6	4.6	2.9	32.0%
	mil.EEK	33.9	26.5	40.3	71.4	44.8	
Leases of vessels	mil.EUR	3.7	5.1	3.4	4.9	3.8	0.1%
	mil.EEK	58.7	79.8	53.0	76.1	58.7	
Other sales	mil.EUR	5.1	4.4	7.1	11.7	7.1	36.9%
	mil.EEK	81.2	69.1	110.8	183.3	111.2	
Total revenue	mil.EUR	181.3	158.0	202.4	272.1	203.0	12.0%
	mil.EEK	2 836.8	2 471.9	3 167.1	4 257.3	3 177.0	

The following graphs provide an overview of the sales distribution in the first quarter on operational and geographical segment based approach



The following table provides an overview of the quarterly sales and result development by geographical segments:

			Q1	Q2	Q3	Q4	Q1	Q1 change
			09/10	09/10	09/10	09/10	10/11	y-o-y
Finland- Estonia	Passengers	th.	840	732	982	1 236	968	15.2%
	Cargo units	th.	25	22	30	27	27	9.5%
	Revenue	mil.EUR	56.8	47.3	63.4	72.6	65.7	15.5%
		mil.EEK	889.4	740.5	991.6	1 135.7	1 027.2	
	Segment result	mil.EUR	17.1	10.4	20.2	25.6	19.1	12.1%
		mil.EEK	266.9	162.8	315.5	400.5	299.2	
Finland- Sweden	Passengers	th.	682	629	772	1 054	696	2.0%
	Cargo units	th.	25	20	24	23	26	1.8%
	Revenue	mil.EUR	77.8	72.7	86.8	116.7	81.8	5.1%
		mil.EEK	1 218.0	1 136.8	1 358.1	1 826.5	1 279.7	
	Segment result	mil.EUR	6.1	0.9	5.9	29.4	4.5	-25.6%
		mil.EEK	94.8	14.0	92.1	460.4	70.6	
Sweden- Estonia	Passengers	th.	154	157	241	285	178	15.0%
	Cargo units	th.	9	7	9	8	13	48.3%
	Revenue	mil.EUR	18.3	16.8	23.3	32.1	22.7	23.6%
		mil.EEK	286.9	263.5	364.0	502.9	354.7	
	Segment result	mil.EUR	0.8	-1.4	1.6	8.2	1.1	32.8%
		mil.EEK	13.0	-21.7	25.7	128.2	17.3	
Sweden- Latvia	Passengers	th.	117	101	159	229	138	18.5%
	Cargo units	th.	4	3	4	4	4	12.7%
	Revenue	mil.EUR	10.3	9.2	13.2	19.9	12.1	18.3%
		mil.EEK	160.6	144.2	206.1	311.5	190.0	
	Segment result	mil.EUR	-1.8	-2.7	-1.3	3.3	-1.7	1.1%
		mil.EEK	-27.5	-42.7	-20.9	51.0	-27.2	
Finland- Germany	Passengers	th.	16	4	3	35	14	-10.8%
	Cargo units	th.	6	1	2	5	7	18.8%
	Revenue	mil.EUR	7.2	1.6	2.0	11.5	7.4	3.0%
		mil.EEK	113.0	25.1	31.4	180.1	116.4	
	Segment result	mil.EUR	-4.7	-4.6	-4.1	-1.2	-4.5	3.5%
		mil.EEK	-73.5	-72.1	-64.6	-18.8	-71.0	
Other	Revenue	mil.EUR	12.5	11.9	13.7	21.7	15.3	22.2%
		mil.EEK	196.2	185.5	214.5	339.3	239.7	
	Segment result	mil.EUR	0.6	-0.4	1.4	4.7	0.9	54.7%
		mil.EEK	9.6	-7.0	22.5	73.5	14.8	
	Inter segment sales	milj.EUR	-1.7	-1.3	-2.2	-2.4	-2.0	13.3%
		milj.EEK	-27.2	-20.4	-34.4	-37.6	-30.8	
	Total revenue	milj.EUR	181.3	158.0	202.4	272.2	203.0	12.0%
		milj.EEK	2 836.8	2 471.9	3 167.1	4 258.4	3 177.0	
	EBITDA	milj.EUR	27.0	10.4	30.0	77.7	27.5	1.8%
		milj.EEK	422.5	163.1	469.0	1 215.5	430.0	
	Total segment result	milj.EUR	18.1	2.1	23.7	70.0	19.4	7.2%
		milj.EEK	283.3	33.2	370.4	1 094.8	303.8	
	Net profit/-loss	milj.EUR	-1.2	-16.3	-3.0	42.3	1.1	
		milj.EEK	-18.6	-254.6	-47.3	662.4	17.6	

Segment result - result before administrative expenses, financial expenses and taxes

MARKET DEVELOPMENTS

The following table provides an overview of the passengers, cargo units and passenger vehicles transported during the first quarter of 2010/2011 and 2009/2010 financial years.

	Q1 2010/2011	Q1 2009/2010	Q1 Change
Passengers	1,993,293	1,808,235	10.2%
Finland-Sweden	695,641	681,685	2.0%
Estonia-Finland	967,626	839,678	15.2%
Estonia-Sweden	177,624	154,398	15.0%
Latvia-Sweden	138,427	116,804	18.5%
Finland-Germany	13,975	15,670	-10.8%
Cargo Units	76,908	68,334	12.5%
Finland-Sweden	25,644	25,196	1.8%
Estonia-Finland	27,171	24,816	9.5%
Estonia-Sweden	12,882	8,687	48.3%
Latvia-Sweden	4,351	3,860	12.7%
Finland-Germany	6,860	5,775	18.8%
Passenger Vehicles	236,255	200,199	18.0%
Finland-Sweden	30,068	30,418	-1.2%
Estonia-Finland	166,260	135,027	23.1%
Estonia-Sweden	14,827	11,727	26.4%
Latvia-Sweden	21,059	19,314	9.0%
Finland-Germany	4,041	3,713	8.8%

The following operational factors influenced the development.

FINLAND-SWEDEN

During the scheduled maintenance of Silja Serenade in the beginning of November the cruise ferry was replaced by Silja Europa that in turn was replaced by the cruise ferry Baltic Queen.

ESTONIA-SWEDEN

In the beginning of November 2010 the cruise ferry Baltic Queen replaced the cruise ferry Silja Europa on the Turku-Stockholm line for scheduled maintenance, leaving the Tallinn-Stockholm line with one vessel.

Since the beginning of November 2010 the second cargo ship M/S Kapella started operating on the Paldiski-Kapellskär line.

LATVIA-SWEDEN

In September the cruise ferry M/S Romantika was in dock for 8 days and in October 2010 cruise ferry Silja Festival was in dock for 10 days due to their scheduled maintenance requirements. They were not replaced by another vessel during that time.

The Group's market shares on the routes operated during a 12 month period ending on the November 30, 2010 were as follows:

- The Group carried approximately 57% of the passengers and 52% of ro-ro cargo on the route between Tallinn and Helsinki;
- The Group is the only provider of daily passenger transportation between Estonia and Sweden. The Group is the only provider of daily passenger and ro-ro cargo transportation between Riga and Stockholm;
- The Group carried approximately 56% of passengers and 33% of ro-ro cargo on the routes between Finland and Sweden;
- The Group's approximate market share of passenger transportation on the route between Finland and Germany was 24% and the approximate market share of ro-ro cargo transportation was 6%.

PERSONNEL

On November 30, 2010 the Group employed 6,507 employees (6,470 on November 30, 2009).

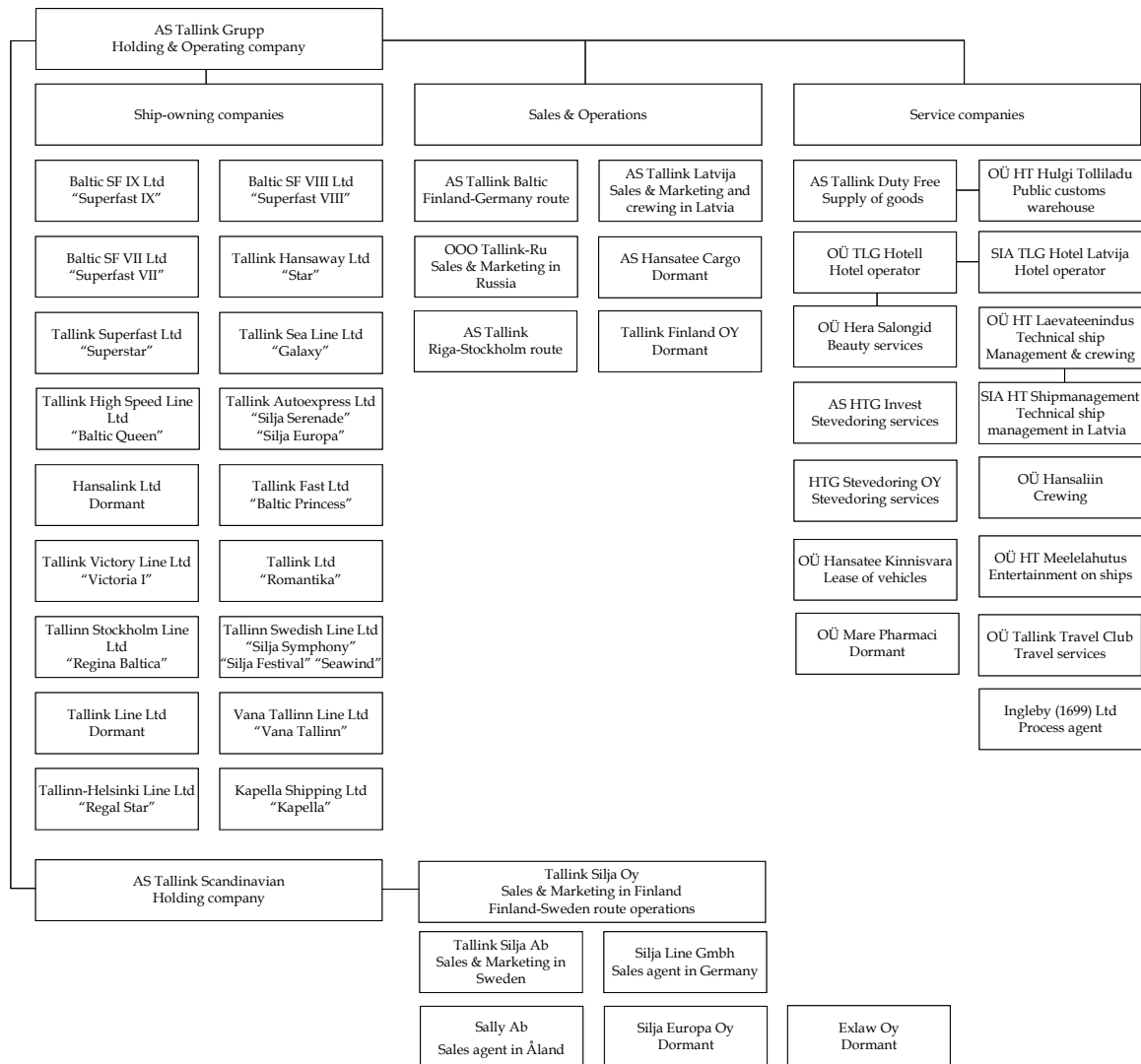
The following table provides a more detailed overview of the Group's personnel.

	Average of 1st quarter			End of 1st quarter		
	2010/2011	2009/2010	change %	30.11.2010	30.11.2009	change %
Onshore total	1,483	1,556	-4.7%	1,448	1,499	-3.4%
<i>Estonia</i>	780	756	3.2%	788	740	6.5%
<i>Finland</i>	459	529	-13.2%	427	511	-16.4%
<i>Sweden</i>	176	192	-8.3%	165	169	-2.4%
<i>Latvia</i>	54	55	-1.8%	55	55	0.0%
<i>Germany</i>	8	18	-55.6%	7	18	-61.1%
<i>Russia</i>	6	6	0.0%	6	6	0.0%
At sea	4,566	4,599	-0.7%	4,509	4,509	0.0%
Hotel*	546	466	17.2%	550	462	19.0%
Total	6,595	6,621	-0.4%	6,507	6,470	0.6%

* The number of hotel personnel is not included in the total number of ashore personnel.

CORPORATE STRUCTURE

On the report date, the Group consisted of 48 companies. Most of the subsidiaries are wholly-owned companies of AS Tallink Grupp. The following chart describes the structure of the Group as on the date of reporting:

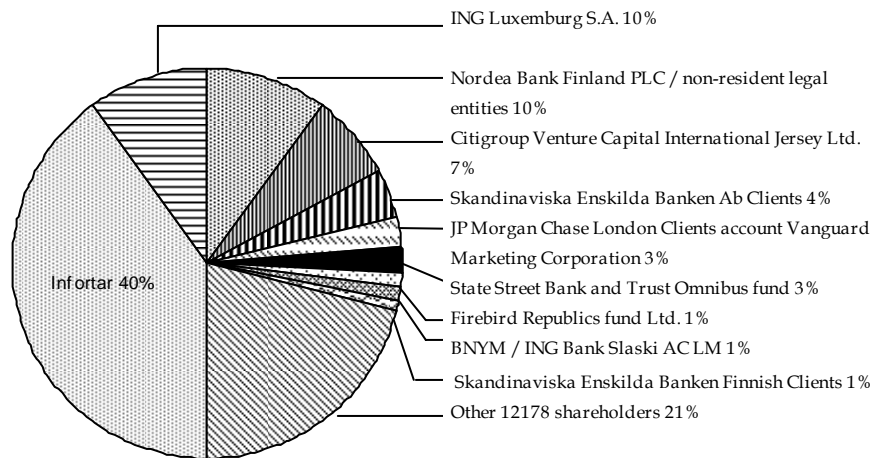


The Group further owns:

- 34% of AS Tallink Takso

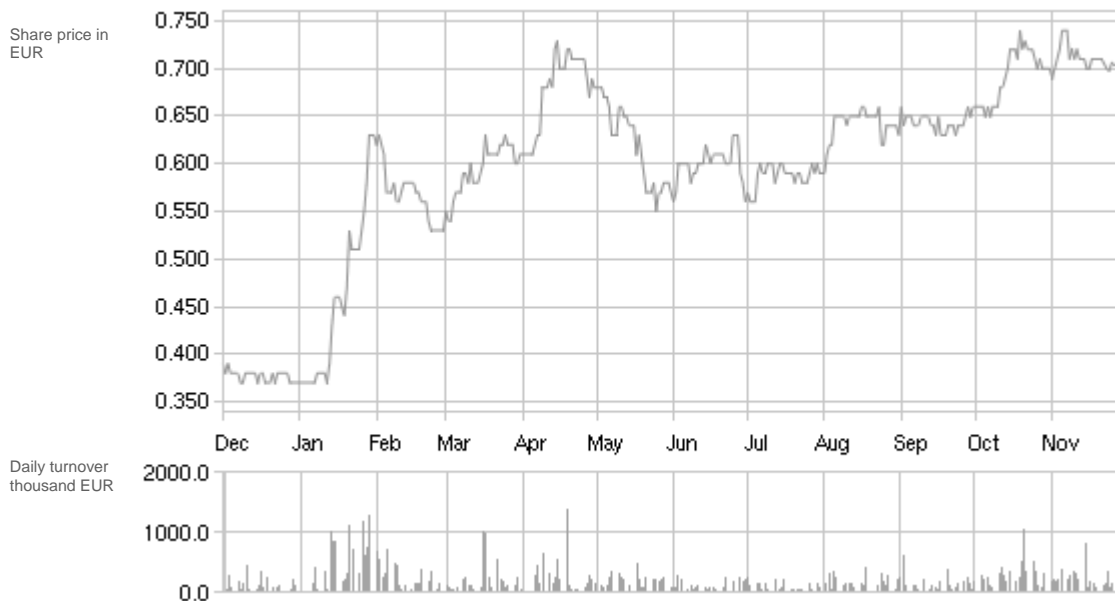
SHAREHOLDERS & SHARE PRICE DEVELOPMENT

The following chart displays the shareholder structure of AS Tallink Grupp as of 30 November 2010.



Source: Estonian Central Register of Securities

Since 9th of December 2005 the shares of AS Tallink Grupp are listed on the Tallinn Stock Exchange, where the share are traded under the symbol TAL1T. The following chart gives an overview of the share development during the last 12 months.



Source: Nasdaq OMX Baltic

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

The Group's earnings are not generated evenly throughout the year. Summer period is the high season in the Group's operations. In the opinion of the Group's management and based on the experience of the previous financial years the majority of the earnings are generated during the last quarter (June-August) of the financial year.

AS Tallink Grupp does not have any substantial ongoing research and development projects.

The Group's fleet renewal program has been completed and thus the Group's investment requirement is relatively small going ahead. This helps to concentrate on the core operations.

In the end of the first quarter of 2010/2011 financial year the Group's cash and cash equivalents amounted to EUR 42 million (EEK 654 million). In addition the Group maintains unused overdraft credit lines in the amount of EUR 47 million (EEK 733 million) which takes the Group's liquidity position to EUR 89 million (EEK 1 387 million).

The Management continues to focus on cost efficiency and on the Group's profitability. The sale or charter of older and non performing vessels has high priority. There are currently several negotiations open to either charter or sell some of the older and non performing vessels.

The Management estimates that the macroeconomic recovery continues and no major changes are foreseen in the Group operations in the 2010/2011 financial year. The Group's results are estimated to improve further.

Estonia joined euro area in 01.01.2011. Hence the Group reporting in the future will be done in euros only.

RISKS

The Group's business, financial condition and results from operations could be materially affected by various risks. These risks are not the only ones. Additional risks and uncertainties not presently known to us, or that we currently believe are immaterial or unlikely, could also impair our business. The order of presentation of the risk factors below is not intended to be an indication of the probability of their occurrence or of their potential effect on our business.

- Accidents, disasters
- Macroeconomic development
- Changes in laws and regulations
- Relations with trade unions
- Increase in the fuel prices and interest rates
- Market and customer behaviour

MANAGEMENT BOARD'S CONFIRMATION TO THE MANAGEMENT REPORT

The Management Board confirms that to the best of their knowledge the management report of AS Tallink Grupp for the first quarter of 2010/2011 financial year presents true and fair view of the development, results and the financial position of the Group and includes the overview of the main risks and uncertainties.



Enn Pant

Chairman of the Management Board



Andres Hunt

Vice Chairman of the Management Board



Lembit Kitter

Member of the Management Board



Janek Stalmeister

Member of the Management Board

17.01.2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EEK)	01.09.2010-	01.09.2009-
	30.11.2010	30.11.2009
Revenue (Note 3)	3,176,964	2,836,833
Cost of sales	-2,620,948	-2,325,945
Gross profit	556,016	510,888
Marketing expenses	-252,234	-227,586
Administrative expenses	-160,160	-146,246
Other income	1,029	7,072
Other expenses	-106	-2,785
Results from operating activities	144,545	141,343
Finance income (Note 4)	96,125	12,729
Finance costs (Note 4)	-223,014	-172,690
Profit/-loss before income tax	17,656	-18,618
Income tax	0	0
Net profit/-loss for the period	17,656	-18,618
Other comprehensive income/-expense		
Exchange differences on translating foreign operations	-577	-11,452
Changes in fair value of cash flow hedges	-8,669	17,993
Other comprehensive income/-expense for the period	-9,246	6,541
Total comprehensive income/-expense for the period	8,410	-12,077
Profit/-loss attributable to:		
Equity holders of the parent (Note 5)	17,656	-18,618
Total comprehensive income/-expense attributable to:		
Equity holders of the parent	8,410	-12,077
Earnings per share (in EEK per share)		
- basic (Note 5)	0.03	-0.03
- diluted (Note 5)	0.03	-0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EUR)	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009
Revenue (Note 3)	203,045	181,307
Cost of sales	-167,509	-148,655
Gross profit	35,536	32,652
Marketing expenses	-16,121	-14,545
Administrative expenses	-10,236	-9,347
Other income	66	452
Other expenses	-7	-178
Results from operating activities	9,238	9,034
Finance income (Note 4)	6,143	813
Finance costs (Note 4)	-14,253	-11,037
Profit/-loss before income tax	1,128	-1,190
Income tax	0	0
Net profit/-loss for the period	1,128	-1,190
Other comprehensive income/-expense		
Exchange differences on translating foreign operations	-37	-731
Changes in fair value of cash flow hedges	-554	1,150
Other comprehensive income/-expense for the period	-591	419
Total comprehensive income/-expense for the period	537	-771
Profit/-loss attributable to:		
Equity holders of the parent (Note 5)	1,128	-1,190
Total comprehensive income/-expense attributable to:		
Equity holders of the parent	537	-771
Earnings per share (in EUR per share)		
- basic (Note 5)	0.00	0.00
- diluted (Note 5)	0.00	0.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EEK)

ASSETS	30.11.2010	31.08.2010
Current assets		
Cash and cash equivalents	654,703	899,494
Trade and other receivables	551,822	657,788
Prepayments	162,972	152,582
Derivatives (Note 6)	2,363	11,032
Inventories	329,271	313,483
Total current assets	1,701,131	2,034,379
Non-current assets		
Investments in associates	3,343	3,343
Other financial assets	4,957	4,957
Deferred income tax assets	166,860	166,851
Investment property	4,694	4,694
Property, plant and equipment (Note 7)	25,810,241	26,021,867
Intangible assets (Note 8)	1,026,799	1,043,627
Total non-current assets	27,016,894	27,245,339
TOTAL ASSETS	28,718,025	29,279,718
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	998,594	995,554
Trade and other payables	1,410,593	1,471,620
Deferred income	448,986	374,976
Derivatives (Note 6)	241,974	275,912
Total current liabilities	3,100,147	3,118,062
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	15,160,855	15,712,996
Other liabilities	1,111	1,158
Total non-current liabilities	15,161,966	15,714,154
TOTAL LIABILITIES	18,262,113	18,832,216
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	6,738,170	6,738,170
Share premium	9,999	9,999
Reserves	1,126,806	1,136,052
Retained earnings	2,580,937	2,563,281
Total equity attributable to equity holders of the parent	10,455,912	10,447,502
TOTAL EQUITY	10,455,912	10,447,502
TOTAL LIABILITIES AND EQUITY	28,718,025	29,279,718

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EUR)

ASSETS	30.11.2010	31.08.2010
Current assets		
Cash and cash equivalents	41,843	57,488
Trade and other receivables	35,268	42,040
Prepayments	10,415	9,752
Derivatives (Note 6)	151	705
Inventories	21,044	20,035
Total current assets	108,721	130,020
Non-current assets		
Investments in associates	214	214
Other financial assets	317	317
Deferred income tax assets	10,664	10,664
Investment property	300	300
Property, plant and equipment (Note 7)	1,649,575	1,663,100
Intangible assets (Note 8)	65,625	66,700
Total non-current assets	1,726,695	1,741,295
TOTAL ASSETS	1,835,416	1,871,315
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	63,822	63,627
Trade and other payables	90,153	94,054
Deferred income	28,696	23,965
Derivatives (Note 6)	15,465	17,634
Total current liabilities	198,136	199,280
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	968,955	1,004,244
Other liabilities	71	74
Total non-current liabilities	969,026	1,004,318
TOTAL LIABILITIES	1,167,162	1,203,598
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	430,648	430,648
Share premium	639	639
Reserves	72,016	72,607
Retained earnings	164,951	163,823
Total equity attributable to equity holders of the parent	668,254	667,717
TOTAL EQUITY	668,254	667,717
TOTAL LIABILITIES AND EQUITY	1,835,416	1,871,315

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EEK)

	01.09.2010 - 30.11.2010	01.09.2009 - 30.11.2009
Cash flows from operating activities		
Net profit/-loss for the period	17,656	-18,618
Adjustments	422,313	392,982
Changes in assets related to operating activities	79,682	114,741
Changes in liabilities related to operating activities	32,440	5,706
Income tax paid	-146	-70
	551,945	494,741
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-56,308	-5,490
Proceeds from disposals of property, plant and equipment	67	99,721
Issue of shares by associates	0	-9,180
Payments from settlement of derivatives	-19,863	-14,955
Interest received	430	2,289
	-75,674	72,385
Cash flow from (+)/ used for (-) financing activities		
Redemption of loans (Note 9)	-560,232	-573,688
Change in overdraft	0	5,136
Repayment of finance lease liabilities (Note 9)	-360	-2,005
Interest paid	-160,470	-136,426
	-721,062	-706,983
TOTAL NET CASH FLOW	-244,791	-139,857
Cash and cash equivalents:		
- at the beginning of period	899,494	782,043
- increase (+) / decrease (-)	-244,791	-139,857
Cash and cash equivalents at end of period	654,703	642,186

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EUR)

	01.09.2010 - 30.11.2010	01.09.2009 - 30.11.2009
Cash flows from operating activities		
Net profit/-loss for the period	1,128	-1,190
Adjustments	26,991	25,116
Changes in assets related to operating activities	5,093	7,333
Changes in liabilities related to operating activities	2,073	365
Income tax paid	-9	-4
	35,276	31,620
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-3,599	-351
Proceeds from disposals of property, plant and equipment	4	6,373
Issue of shares by associates	0	-587
Payments from settlement of derivatives	-1,269	-955
Interest received	27	146
	-4,837	4,626
Cash flow from (+)/ used for (-) financing activities		
Redemption of loans (Note 9)	-35,805	-36,665
Change in overdraft	0	328
Repayment of finance lease liabilities (Note 9)	-23	-129
Interest paid	-10,256	-8,719
	-46,084	-45,185
TOTAL NET CASH FLOW	-15,645	-8,939
Cash and cash equivalents:		
- at the beginning of period	57,488	49,982
- increase (+) / decrease (-)	-15,645	-8,939
Cash and cash equivalents at end of period	41,843	41,043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of EEK)

	Share capital	Share premium	Translation reserve	Ships revaluation reserve	Cash flow hedge reserve	Mandatory legal reserve	Reserve for treasury shares	Retained earnings	Share- holders' equity	Total equity
At 31 August 2009	6,738,170	9,999	-5,067	1,024,956	-422	170,074	-65,132	2,183,439	10,056,017	10,056,017
Changes in equity for the I quarter of 2009/2010										
Total comprehensive income and expense for the period										
Net loss of the I quarter of the year 2009/2010 (Note 5)	0	0	0	0	0	0	0	-18,618	-18,618	-18,618
Total other comprehensive income and expense	0	0	-11,452	0	17,993	0	0	0	6,541	6,541
Total comprehensive income and expense for the period	0	0	-11,452	0	17,993	0	0	-18,618	-12,077	-12,077
At 30 November 2009	6,738,170	9,999	-16,519	1,024,956	17,571	170,074	-65,132	2,164,821	10,043,940	10,043,940
At 31 August 2010	6,738,170	9,999	6,019	1,014,059	11,032	170,074	-65,132	2,563,281	10,447,502	10,447,502
Changes in equity for the I quarter of 2010/2011										
Total comprehensive income and expense for the period										
Net profit of the I quarter of the year 2010/2011 (Note 5)	0	0	0	0	0	0	0	17,656	17,656	17,656
Total other comprehensive income and expense	0	0	-577	0	-8,669	0	0	0	-9,246	-9,246
Total comprehensive income and expense for the period	0	0	-577	0	-8,669	0	0	17,656	8,410	8,410
At 30 November 2010	6,738,170	9,999	5,442	1,014,059	2,363	170,074	-65,132	2,580,937	10,455,912	10,455,912

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of EUR)

	Share capital	Share premium	Translation reserve	Ships revaluation reserve	Cash flow hedge reserve	Mandatory legal reserve	Reserve for treasury shares	Retained earnings	Share- holders' equity	Total equity
At 31 August 2009	430,648	639	-324	65,507	-27	10,869	-4,163	139,547	642,696	642,696
Changes in equity for the I quarter of 2009/2010										
Total comprehensive income and expense for the period										
Net loss of the I quarter of the year 2009/2010 (Note 5)	0	0	0	0	0	0	0	-1,190	-1,190	-1,190
Total other comprehensive income and expense	0	0	-731	0	1,150	0	0	0	419	419
Total comprehensive income and expense for the period	0	0	-731	0	1,150	0	0	-1,190	-771	-771
At 30 November 2009	430,648	639	-1,055	65,507	1,123	10,869	-4,163	138,357	641,925	641,925
At 31 August 2010	430,648	639	385	64,811	705	10,869	-4,163	163,823	667,717	667,717
Changes in equity for the I quarter of 2010/2011										
Total comprehensive income and expense for the period										
Net profit of the I quarter of the year 2010/2011 (Note 5)	0	0	0	0	0	0	0	1,128	1,128	1,128
Total other comprehensive income and expense	0	0	-37	0	-554	0	0	0	-591	-591
Total comprehensive income and expense for the period	0	0	-37	0	-554	0	0	1,128	537	537
At 30 November 2010	430,648	639	348	64,811	151	10,869	-4,163	164,951	668,254	668,254

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1 CORPORATE INFORMATION

The interim consolidated financial statements of AS Tallink Grupp and its subsidiaries (hereinafter as “the Group”) for the first 3 months of the financial year 2010/2011 were authorised for issue in accordance with a resolution of the Management Board on 17 January 2011. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,507 people at 30 November 2010 (31 August 2010: 6,715).

Note 2 BASIS OF PREPARATION

The interim consolidated financial statements of AS Tallink Grupp have been prepared in a condensed form in accordance with IFRS as adopted by EU and in accordance with the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The same accounting policies and methods of computation are followed in the interim consolidated financial statements as in the annual consolidated financial statements of AS Tallink Grupp for the financial year ended on 31 August 2010.

The interim consolidated financial statements have been prepared in thousand Estonian kroons (EEK). The respective EEK numbers have been expressed also in thousand Euros (EUR) using exchange rate 1 EUR=15.6466 EEK.

Note 3 SEGMENT INFORMATION

The primary segments of the Group are geographical segments (by the routes) and the secondary segments are operational segments (tickets sales, sales of cargo transport, accommodation sales, restaurant and shops sales on-board and on mainland, income from leases of vessels and others).

Geographical segments

(in thousands of EEK)

01.09.2010-30.11.2010	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	1,027,243	354,678	190,019	116,397	1,279,711	208,916	0	3,176,964
Inter-segment sales	0	0	0	0	0	30,810	-30,810	0
	1,027,243	354,678	190,019	116,397	1,279,711	239,726	-30,810	3,176,964
Segment result								
	299,236	17,310	-27,193	-70,966	70,561	14,834	0	303,782
Unallocated expenses								-159,237
Net financial items (Note 4)								-126,889
Profit before income tax								17,656

01.09.2009-30.11.2009	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	889,392	286,888	160,579	113,000	1,217,996	168,978	0	2,836,833
Inter-segment sales	0	0	0	0	0	27,195	-27,195	0
	889,392	286,888	160,579	113,000	1,217,996	196,173	-27,195	2,836,833
Segment result								
	266,946	13,026	-27,505	-73,539	94,804	9,570	0	283,302
Unallocated expenses								-141,959
Net financial items (Note 4)								-159,961
Loss before income tax								-18,618

Geographical segments

(in thousands of EUR)

01.09.2010-30.11.2010	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	65,653	22,668	12,144	7,439	81,789	13,352	0	203,045
Inter-segment sales	0	0	0	0	0	1,969	-1,969	0
	65,653	22,668	12,144	7,439	81,789	15,321	-1,969	203,045
Segment result								
	19,125	1,106	-1,738	-4,536	4,510	948	0	19,415
Unallocated expenses								-10,177
Net financial items (Note 4)								-8,110
Profit before income tax								1,128

01.09.2009-30.11.2009	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	56,843	18,335	10,263	7,222	77,844	10,800	0	181,307
Inter-segment sales	0	0	0	0	0	1,738	-1,738	0
	56,843	18,335	10,263	7,222	77,844	12,538	-1,738	181,307
Segment result								
	17,061	833	-1,758	-4,700	6,059	612	0	18,107
Unallocated expenses								-9,073
Net financial items (Note 4)								-10,224
Loss before income tax								-1,190

Operational segments

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009
Ticket sales	798,462	672,086	51,031	42,954
Sales of cargo transport	463,718	432,871	29,637	27,666
Accommodation sales	44,796	33,943	2,863	2,169
Restaurant and shops sales on-board and on mainland	1,700,113	1,558,104	108,657	99,581
Income from leases of vessels	58,690	58,657	3,751	3,749
Other	111,185	81,175	7,106	5,188
Total revenue of the Group	3,176,964	2,836,833	203,045	181,307

Note 4 FINANCE INCOME AND COSTS

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009
Net foreign exchange gains	11,306	0	722	0
Income from derivatives	84,410	10,453	5,395	668
Interest income	409	2,276	26	145
Total finance income	96,125	12,729	6,143	813
Net foreign exchange loss	0	-35,275	0	-2,255
Interest expenses	-154,484	-112,428	-9,873	-7,185
Losses from derivatives	-68,530	-24,987	-4,380	-1,597
Total finance costs	-223,014	-172,690	-14,253	-11,037

Note 5 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. As the company does not have any potential ordinary shares, then the diluted earnings per share are equal to basic earnings per share.

	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009
Weighted average number of ordinary shares (pcs)	669,882,040	669,882,040
Net profit/-loss attributable to ordinary shareholders	17,656	-18,618
Earnings per share (in EEK per share)	0.03	-0.03

	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009
Weighted average number of ordinary shares (pcs)	669,882,040	669,882,040
Net profit/-loss attributable to ordinary shareholders	1,128	-1,190
Earnings per share (in EUR per share)	0.00	0.00

Weighted average number of ordinary shares

(pcs)	01.09.2010- 30.11.2010	01.09.2009- 30.11.2009
Issued ordinary shares at the beginning of period	673,817,040	673,817,040
Effect of own shares held	-3,935,000	-3,935,000
Weighted average number of ordinary shares at end of period	669,882,040	669,882,040

Note 6 DERIVATIVE INSTRUMENTS

The Group uses interest rate swaps to manage its exposure to movements in interest rates. Where the effectiveness of the hedge relationship in a cash flow hedge is demonstrated, changes in the fair value are included in the hedging reserve in shareholders' equity and released to match actual payments on the hedged item. Changes in fair value of derivatives which do not qualify for hedge accounting under IAS 39 are recognized directly in the income statement.

As of 30.11.2010 AS Tallink Grupp had three interest rate derivative contracts with total notional amount of 4,224,582 thousand EEK (270,000 thousand EUR) with the maturities in years 2012, 2014 and 2018. The fair value of the interest rate derivatives recognized in the current interim financial statements as of 30.11.2010 is -241,974 thousand EEK (-15,465 thousand EUR). As of 30.11.2010 AS Tallink Grupp had one fuel price swap contract with the total notional amount of 8,997 thousand EEK (575 thousand EUR). As of 31.08.2010 the fair value of the fuel price swap in total amount of 2,363 thousand EEK (151 thousand EUR) are recognized in the hedging reserve in shareholders' equity.

Note 7 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EEK)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2010	92,847	25,840,140	88,480	400	26,021,867
Additions	0	39,535	12,536	2,707	54,778
Exchange rate differences	719	0	0	0	719
Depreciation for the period	-5,861	-251,236	-10,026	0	-267,123
Book value at 30 November 2010	87,705	25,628,439	90,990	3,107	25,810,241

At 30 November 2010

-Cost	148,252	25,872,839	320,342	3,107	26,344,540
-Accumulated depreciation	-60,547	-244,400	-229,352	0	-534,299

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2009	108,480	26,841,984	76,817	22,112	27,049,393
Additions	0	0	600	3,952	4,552
Exchange rate differences	-3,395	0	107	-3	-3,291
Disposals	0	-95,057	0	0	-95,057
Depreciation for the period	-3,165	-246,333	-11,090	0	-260,588
Book value at 30 November 2009	101,920	26,500,594	66,434	26,061	26,695,009

At 30 November 2009

-Cost	137,461	29,079,970	269,172	26,061	29,512,664
-Accumulated depreciation	-35,541	-2,579,376	-202,738	0	-2,817,655

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2010	5,934	1,651,486	5,655	25	1,663,100
Additions	0	2,527	801	173	3,501
Exchange rate differences	46	0	0	0	46
Depreciation for the period	-374	-16,057	-641	0	-17,072
Book value at 30 November 2010	5,606	1,637,956	5,815	198	1,649,575

At 30 November 2010

-Cost	9,475	1,653,576	20,473	198	1,683,722
-Accumulated depreciation	-3,869	-15,620	-14,658	0	-34,147

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2009	6,933	1,715,515	4,910	1,413	1,728,771
Additions	0	0	38	253	291
Exchange rate differences	-217	0	7	0	-210
Disposals	0	-6,075	0	0	-6,075
Depreciation for the period	-202	-15,744	-709	0	-16,655
Book value at 30 November 2009	6,514	1,693,696	4,246	1,666	1,706,122

At 30 November 2009

-Cost	8,785	1,858,549	17,203	1,666	1,886,203
-Accumulated depreciation	-2,271	-164,853	-12,957	0	-180,081

Note 8 INTANGIBLE ASSETS

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
Book value at 31 August 2010	173,148	721,909	148,570	1,043,627	11,066	46,138	9,496	66,700
Additions	0	0	1,530	1,530	0	0	98	98
Amortisation for the period	0	-11,406	-6,952	-18,358	0	-729	-444	-1,173
Book value at 30 November 2010	173,148	710,503	143,148	1,026,799	11,066	45,409	9,150	65,625

At 30 November 2010

-Cost	173,148	912,009	316,371	1,401,528	11,066	58,288	20,220	89,574
-Accumulated amortisation	0	-201,506	-173,223	-374,729	0	-12,879	-11,070	-23,949

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
Book value at 31 August 2009	173,148	767,533	194,057	1,134,738	11,066	49,054	12,403	72,523
Additions	0	0	938	938	0	0	60	60
Amortisation for the period	0	-11,406	-9,127	-20,533	0	-729	-583	-1,312
Book value at 30 November 2009	173,148	756,127	185,868	1,115,143	11,066	48,325	11,880	71,271

At 30 November 2009

-Cost	173,148	912,009	317,038	1,402,195	11,066	58,288	20,263	89,617
-Accumulated amortisation	0	-155,882	-131,170	-287,052	0	-9,963	-8,383	-18,346

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EEK)

	31 August 2010	Repayments	Other changes [1]	30 November 2010
Lease liabilities	2,722	-360	0	2,362
Long-term bank loans	16,705,828	-560,232	11,491	16,157,087
TOTAL	16,708,550	-560,592	11,491	16,159,449
incl. short-term portion	995,554			998,594
long-term portion	15,712,996			15,160,855

(in thousands of EUR)

	31 August 2010	Repayments	Other changes [1]	30 November 2010
Lease liabilities	174	-23	0	151
Long-term bank loans	1,067,697	-35,805	734	1,032,626
TOTAL	1,067,871	-35,828	734	1,032,777
incl. short-term portion	63,627			63,822
long-term portion	1,004,244			968,955

[1] Other changes are related to amortisation of transaction costs.

Bank overdrafts are secured with commercial pledge (in the total amount of 316,120 thousand EEK (20,204 thousand EUR) and ship mortgages.

AS Tallink Grupp has given guarantees to HSH Nordbank AG, Nordea Bank Plc, Skandinaviska Enskilda Banken AB, KfW IPEX Bank, Danske Bank A/S and HSBC Bank Plc. for the loans granted to overseas subsidiaries amounting to 12,848,723 thousand EEK (821,183 thousand EUR). The primary securities for these loans are the pledge of shares of the overseas subsidiaries and mortgages on the ships belonging to the above-mentioned subsidiaries. AS Tallink Grupp has given guarantee to HSH Nordbank AB for the loan granted to Tallink Silja Oy Ab amounting to 3,308,364 thousand EEK (211,443 thousand EUR). The primary securities for these loans are the pledge of shares of Tallink Silja Oy Ab and mortgages on the Silja ships.

Note 10 SHARE CAPITAL

According to the Articles of Association of the Parent effective as of 30 November 2010 the maximum number of authorised common shares is 2,000,000 thousand.

At 30 November 2010 the Group held 3,935 thousand of the AS Tallink Grupp shares. Total cost of share buyback transactions of 3,935 thousand shares is 65,132 thousand EEK (4,163 thousand EUR).

Note 11 RELATED PARTY DISCLOSURES

(in thousands of EEK)

3 months of 2010/2011 or 30.11.2010	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	32	287	0	0
AS HT Valuuta	721	0	1,535	0
AS Vara HTG	0	16,389	0	0
OÜ Mersok	0	36	0	14
AS Vaba Maa	34	3,078	13	1,329
OÜ Sunbeam	0	12,418	0	0
AS Gastrolink	6	3,661	6	848
AS Tallink Takso	0	366	0	242
OÜ Topspa Kinnisvara	0	9,334	0	0
OÜ Hansa Hotell	0	3,007	0	0
OÜ Fastinvest	0	3,967	0	0
SIA Happy Trails	0	15,862	0	16,946
3 months of 2009/2010 or 30.11.2009	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	6	287	3	0
AS HT Valuuta	719	0	336	0
AS Vara HTG	0	13,500	0	0
OÜ Mersok	0	36	0	0
AS Vaba Maa	34	3,425	13	709
OÜ Sunbeam	0	12,115	0	3,846
AS Gastrolink	7	2,640	0	772
AS Tallink Takso	0	245	0	92
OÜ Topspa Kinnisvara	0	9,106	0	3,643
OÜ Hansa Hotell	0	2,971	0	0
OÜ Fastinvest	0	3,870	0	0

(in thousands of EUR)

3 months of 2010/2011 or 30.11.2010	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	2	18	0	0
AS HT Valuuta	46	0	98	0
AS Vara HTG	0	1,047	0	0
OÜ Mersok	0	2	0	1
AS Vaba Maa	2	197	1	85
OÜ Sunbeam	0	794	0	0
AS Gastrolink	0	234	0	54
AS Tallink Takso	0	23	0	15
OÜ Topspa Kinnisvara	0	597	0	0
OÜ Hansa Hotell	0	192	0	0
OÜ Fastinvest	0	254	0	0
SIA Happy Trails	0	1,014	0	1,083
3 months of 2009/2010 or 30.11.2009	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	0	18	0	0
AS HT Valuuta	46	0	21	0
AS Vara HTG	0	863	0	0
OÜ Mersok	0	2	0	1
AS Vaba Maa	2	219	1	45
OÜ Sunbeam	0	774	0	246
AS Gastrolink	0	169	0	49
AS Tallink Takso	0	16	0	6
OÜ Topspa Kinnisvara	0	582	0	233
OÜ Hansa Hotell	0	190	0	0
OÜ Fastinvest	0	247	0	0

Note 12 EVENTS AFTER BALANCE SHEET DATE

Shareholders Annual General Meeting will take place on 08 February 2011.

MANAGEMENT BOARD'S APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Hereby we declare our responsibility for the Interim Consolidated Financial Statements and confirm that the AS Tallink Grupp's Unaudited Interim Consolidated Financial Statements for the 3 months of the financial year 2010/2011 ended 30 November 2010 prepared in accordance with IFRS as adopted by EU and in accordance with IAS 34 give a true and fair view of the financial position of the Group and of the result of its operations and cash flows.

AS Tallink Grupp and its subsidiaries are able to continue as a going concern for a period of at least one year of the date of approving these financial statements.



Chairman of the Management Board
Enn Pant



Vice Chairman of the Management Board
Andres Hunt



Member of the Management Board
Janek Stalmeister



Member of the Management Board
Lembit Kitter

Tallinn 17.01.2011